

CONFIDENTIAL

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OFFICE OF LEGISLATIVE COUNSEL

Monday - 5 November 1973

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1. [REDACTED] Chairman Nedzi, Special Subcommittee on Intelligence, House Armed Services Committee, called regarding the recent statements in the press to the effect that Leon Jaworski and a partner in his firm (John H. Freeman) were trustees for the M.D. Anderson Foundation of Houston, Texas, and the American Fund for Free Jurists, Inc., both of which were alleged recipients of funds from CIA some years ago. Nedzi says he finds this more anecdotal than serious but would like a rundown on our involvement with Jaworski and the funds and our estimate of the impact of the disclosure. I told him we would check on it and have something for him in the next day or two. Bill Nelson is sending us some material on this.

I used this opportunity to mention to Nedzi that we were preparing for delivery to him today a letter from Mr. Colby transmitting a cabled response which we had requested from Dick Helms to allegations in the press regarding his 28 June 1972 memorandum to General Walters on the Watergate affair. I passed on to Nedzi some additional personal views of Helms and also alerted him to the possibility that Senator Stuart Symington, Acting Chairman, Armed Services Committee, might release the text of the 28 June 1972 Helms memorandum.

We discussed this matter at some length, with Nedzi concluding that he was not uncomfortable with the present situation and thought that no purpose would be served by any further public discussion of the matter. See Memorandum for the Record.

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2. [REDACTED] Frank Slatinshek, House Armed Services Committee staff, called to say that he had received an advance copy of the new issue of Aviation Week magazine which carries a story by Cecil Brownlow entitled "Soviets Poise Three-Front Global Drive." Slatinshek said the article indicated that the Soviets have equipped three locations with Scud missiles: one in Vietnam, one in Cuba, and one in the Middle East, for the purpose of launching a simultaneous attack. Slatinshek said the article also states that the intelligence community has been well aware of this and had deliberately withheld it from the Congress. He asked if we would prepare a commentary on the article for the Committee's information.

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Jaworski Asks Cox Staff to Stay

By Orr Kelly
Star-News Staff Writer

Special prosecutor Leon Jaworski met with two Watergate task forces today and plans to meet with members of the three remaining task forces tomorrow as he takes over responsibility for the investigation.

Jaworski, who was sworn in yesterday, had dinner last night with Archibald Cox, who was fired two weeks ago from the job Jaworski now holds.

In his first meeting with the Watergate special prosecution force last night, Jaworski said he knew of no reason why any staff changes should be made and told the staff members they could dismiss rumors that changes were planned.

He told the staff, according to the prosecution press office, that he had "been assured complete control over the entire case" and that he was not

blocked from taking any action against the President which he deems necessary.

As Jaworski took up his duties, reports circulated about some of his past activities.

In the early 1960s, the M.D. Anderson Foundation of which Jaworski is a trustee, served as a channel for thousands of dollars in government money, according to the president of the foundation.

Jaworski promptly denied

the claim, but he was quoted in a Houston newspaper as saying he might have played a part in the arrangement without knowing the money came from the U.S. government.

John H. Freeman, a retired law partner of Jaworski's, said in a telephone interview last night that he believes the money — which may have amounted to \$700,000 over a period of six or seven years — came to the M.D. Anderson Foundation, of which Jaworski was a trustee, from the Central Intelligence Agency. It was passed on to the American Council for the International Commission of Free Jurists in New York.

Jaworski said through a spokesman at the special prosecutor's office here that the Anderson foundation, to his knowledge, never acted directly or indirectly as a conduit for any CIA funds used for any purpose.

Press aide John Barker said Jaworski arrived at 11:30 a.m. yesterday and was formally sworn in to his controversial new position at 3 p.m. by U.S. Court of Claims Judge Byron G. Skelton.

Attending the ceremony were acting Atty. Gen. Robert H. Bork, who took over when Atty. Gen. Elliot L. Richardson resigned rather than obey President Nixon's order to fire Cox; and Asst. Atty. Gen. Henry E. Petersen, who had temporary charge of the Watergate special prosecution force during the interim between the Cox firing and Jaworski's taking over.

Jaworski also said, according to the statement, "that while he did not know the individuals in the office, he begins by believing in them and he hopes that this will be a two-way street."

With Jaworski taking over, the job of Henry S. Ruth Jr., deputy special prosecutor, seemed particularly vulnerable, since new

bosses often like to bring in their own top assistants.

But Barker said Jaworski has indicated that he plans no staff changes, including the deputy's post. "He specifically asked Hank to stay on as deputy special prosecutor, and Hank said that he would," Barker said.

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Jaworski Takes Oath of Office as New Prosecutor

By William Claiborne

Washington Post Staff Writer

Leon Jaworski was sworn in as Watergate special prosecutor yesterday, moving from 42 years' experience in the board rooms of some of the nation's most powerful corporations into a \$38,000-a-year job that he described as the most important in his life.

In Texas business and politics, long friendships and the fierce loyalty of "good old boys" are enduring qualities, so it was not surprising that the man Jaworski selected to administer the oath of office was U.S. Court of Claims Judge Byron G. Skelton.

Jaworski and Skelton attended Baylor University in the 1920s and grew up together in the Texas Democratic politics of Lyndon B. Johnson and John B. Connally.

In a crowded ceremonial courtroom of the Court of Claims yesterday, Jaworski held a tattered Bible loaned by the judge, and said, "I have a feeling that in the days to come I will need it more than I've ever needed a Bible before."

Jaworski vowed to conduct his investigation independently of the White House and then left the courtroom to meet with the investigating staff left over by fired Watergate Special Prosecutor Archibald Cox. He said he planned to meet with Cox as soon as it could be arranged.

Jaworski could not be reached after the staff meeting, but James Doyle, spokesman for the special prosecutor's office, said last night that Jaworski told the investigators "he was not precluded from taking any action against the President he deems necessary, and that he had the right to move immediately if he chose."

Jaworski, according to Doyle, said he had no plans to make staff changes, and asked their help in an "awesome and gigantic task."

Legal and business associates of Jaworski in Houston, Austin and Dallas described Jaworski in telephone interviews as a brilliant and aggressive trial lawyer who has an intense reverence for the rule of law.

But the same associates also pictured the new prosecutor as a loyalist of the corporate establishment whose consummate skill is in smoothing antagonisms and settling controversies out of court in an unsensational, businesslike manner.

If there is a conflict between Jaworski's background and his new duties of prosecuting any misdeeds of the Nixon administration, the associates said, it will be a highly personal one, based, for the most part, on his long association with the fraternity of wealthy businessmen and powerful politicians.

For his part, Jaworski has taken what he regards as the first step in divorcing himself from associations that could give the appearance of conflict.

He has resigned as head of the Houston law firm of Fulbright, Crooker and Jaworski, which with 180 attorneys is the fourth biggest law firm in the nation.

He has also resigned as a director of the Bank of the Southwest, an institution with assets of more than \$1 billion; Anderson Clayton & Co., a food processing firm; Gulf Publishing Co. of Houston; Houston Intercontinental National Bank; Village National Bank of Houston, and Coastal States Gas

In announcing the resignations on Thursday, Jaworski said, "There actually is very little chance of conflict of interest because of the narrow scope of the (Watergate) matter . . . Nothing involves any of our clients or could possibly involve any of our clients."

Coastal States Gas Co., however, was a defendant in an antitrust suit brought by the government last June, charging that the firm entered into an agreement with Texaco, Inc., that illegally restrained the sale of gasoline to independent distributors.

The civil suit filed by the Antitrust Division of the Justice Department was the first federal action against an oil company resulting from the gasoline supply controversy of the energy crisis. Still pending, it asks that contracts between the two firms be set aside.

Jaworski was a board member of Coastal States and he owns 200 shares of the firm's stock, which he said he plans to sell. The firm of Fulbright, Crooker and Jaworski is listed as one of the defense counsels of Coastal States.

It was learned yesterday that Jaworski also was the trustee of a Houston foundation with close ties to the business community, and that in that capacity he approved in 1958 the use of the foundation as a conduit for about \$700,000 in covert Central Intelligence Agency contributions to a New York City legal foundation.

As trustee of the M.D. Anderson Foundation, Jaworski approved a CIA request that the money be passed along to the American Fund for Free Jurists, Inc., apparently without that organization's knowledge.

The president of the Anderson Foundation, John H. Freeman, a partner in Jaworski's law firm, yesterday confirmed the link between the CIA and the foundation, saying that he briefed Jaworski and other trustees on the arrangement in a meeting in 1958.

"This man from the CIA, whose credentials we examined, said that what we were doing was approved by the

money originated from, I don't know for sure, but I've got my idea that it came somewhere from the government," Freeman said.

The trustees of the Anderson Foundation, which owned major blocks of stock in the Bank of the Southwest and Anderson Clayton & Co., regarded the jurists' organization as "a patriotic organization headed by men known to us," Freeman said.

The main function of the jurists' organization was to raise money for the International Commission of Jurists of Geneva, a group of 31 legal scholars from non-Communist countries. The latter group promulgated the belief "that lawyers and jurists in the Free World should be as independent as they could of government influence," Freeman said.

It was disclosed in 1967 that the Anderson Foundation and a number of other organizations—including the National Students Association—received covert CIA funds or were used as conduits to funnel money to other groups.

Freeman said the money his organization received did not come directly from the CIA, but was sent through a number of other foundations.

He said Jaworski was informed of the CIA arrangement, but added, "I doubt if he knew too many of the details. The contacts with the CIA and the jurists were with me."

Jaworski said last night that he remembers contributions being funneled through the foundation to the jurists' group, but does not recall any CIA involvement.

He said that he "never acted directly or indirectly as a conduit for CIA funds used for any purposes," and added that he plans to remain as a director of the Anderson Foundation, "which is a charitable trust used to support medical research at Baylor University."

JAWORSKI CAREER COVERS 46 YEARS

Liberals and Conservatives Have Had His Support

By ROY REED

Special to The New York Times

HOUSTON, Nov. 3 — Leon Jaworski, President Nixon's new special Watergate prosecutor, has regularly careened off both curbs of Texas ideology in a long career in law, commerce and part-time politics.

He first came to statewide attention in the nineteen-twenties with a vigorous but unsuccessful defense of a Negro defendant in a murder case. Then in 1963 he defended the University of Texas against black students trying to desegregate a dormitory; one of his courtroom declarations at that trial raised some hackles.

"It is a far cry from the integration of classrooms to that which calls for integration of the intimacies of the bedroom and the bathroom," he told the court.

In 1965, as a member of the friend of the conservative Democratic Texas Establishment and aocrats who held sway in the state, he defended Establishment control of the Houston antipoverty agency, of which he was chairman, and said it was "illogical" to add poor people to the program's board.

Decried 'Witch Hunters'

But in the same year, he publicly denounced the "super-patriots" and "witch hunters" of the right who he said were terrorizing this city's political life.

In 1969, he assailed student rebels, saying their manifestos reminded him of "gibberish propaganda ground out by the Nazis." Two months later he was campaigning hard for a state constitutional amendment to raise the ceiling on welfare expenditures.

But over the years there has been little doubt where his interests lay. His Houston law firm, Fulbright, Crocker & Jaworski, one of the nation's largest, represents bankers and big business, and his political loyalties have never strayed far from those of his clients.

Former Senator Ralph W. Yarborough has served with Mr. Jaworski for many months on the Texas Constitutional Revision Commission. He was asked yesterday how he thought Mr. Jaworski would perform as special prosecutor.

Once a Firm Democrat

Mr. Yarborough was asked whether Mr. Jaworski might yield to pressure.

"There might not be any pressure on him because of his predilections," he said. "I'm sure he and Connally [former Gov. John B. Connally] drank a lot of coffee together before this situation was ever dreamed of."

Mr. Jaworski was once so firmly a Democrat, and so close to Mr. Connally and to Lyndon B. Johnson that he was named co-chairman for southern Texas of the National Committee of Lawyers for Johnson and Humphrey in the 1964 Presidential election. He was rumored after that to be President Johnson's choice for Attorney General.

But by 1972 his party loyalties had become so doubtful that he refused to tell reporters whether he had voted for Senator George McGovern, the Democratic nominee for President.

His appointment as special prosecutor, a job he will assume Monday in Washington, has aroused murmurings of criticism in his home state.

Representative Henry B. Gonzales of San Antonio, a liberal Democrat, was critical of his connection with the Coastal States Gas Producing Company.

Stock Sales Halted

The Securities and Exchange Commission stopped the sale of the company's stock last summer after complaints that it had relied on contracts to sell gas to the cities of Austin and San Antonio to generate electric power. Mr. Jaworski's law firm represents Coastal States and he has been a member of the company's board.

Mr. Gonzales said, "I hope Mr. Jaworski will be more interested in uncovering wrongdoing as Watergate special prosecutor than he has as a member of the Coastal States board."

Mr. Jaworski said yesterday that he would sell his 200 shares of stock in the company and contribute the money to a charity. He had already announced that he was severing his connection with his law firm and with all other businesses.

Another past association might prove embarrassing to Mr. Jaworski. It was disclosed in 1967 that the M. D. Anderson Foundation of Houston was one of several American foundations that had been secretly used to channel money from the Central Intelligence Agency to various people and organizations in the United States and abroad. Mr. Jaworski was a member of the foundation board and his firm represented it in legal matters.

He was honored today by Baylor University in Waco, where he received his law degree in 1925, by being asked to serve as grand marshal of the homecoming parade. While there he looked over the new Leon Jaworski wing of the law school.

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